



HEBER CREEPER

P.O. BOX 69, HEBER CITY, UTAH, 84032

PHONE: (801) 654-2621

January 9, 1976

HEBER CREEPER, INC.
MINUTES BOARD OF DIRECTORS MEETING
JANUARY 8, 1976

PRESENT: Lowe Ashton
James W. Ritchie
J. R. Edwards
C. H. Nielsen

Wesley Budd
J. D. Boggess
Gordon Mendenhall

ALSO PRESENT:

Cindy Drury

Gordon Wheeler

Minutes of the previous meeting held October 10, 1975 were read by Cindy Drury. Jim Ritchie moved they be approved as read. J. D. Boggess seconded. Motion carried.

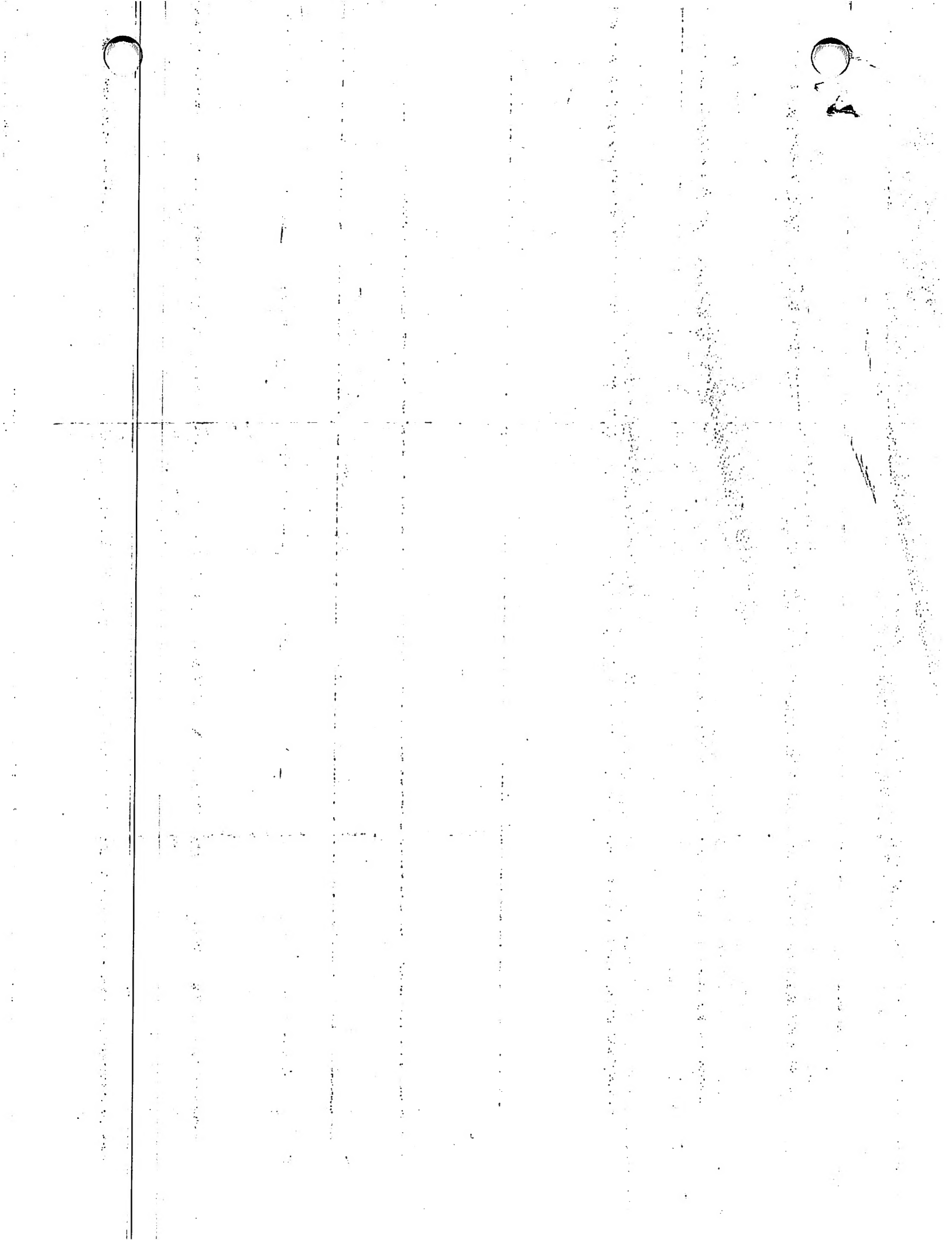
Lowe Ashton gave an introduction to the Foundations proposals, and asked if J. R. Edwards would state the Foundations current position with the Internal Revenue Service. Mr. Edwards indicated as President of the Foundation, his concern over lack of control of their equipment, and only 10% of net profit and also, nothing in writing to guarantee a place or no substantial museum displays. Their tax exempt status was revoked, and Mr. Edwards suggested that there be a re-evaluation on their lease, as that was the primary reason they are faced with the loss of their tax-free status.

MOTION: J. R. Edwards moved that the lease proposed by the Foundation be approved with the exception of item #9, the guarantee of jobs, C.H. Nielsen seconded. Vote was called: Two For, Four Against. Motion failed.

Lowe indicated, on behalf of the company, that the museum has not met the original expectations of their charter, and their interpretations of the Internal Revenue Service's evaluation was not as he saw it. Lowe requested a letter to the company explaining the Foundations interpretations of what the Internal Revenue Service wants the Museum to do, to avoid confusion in communications with the IRS.

Mr. Edwards suggested that representatives of the Company get in touch with the Internal Revenue Service to get their opinions of exactly what demands they expect.

There being no other business, meeting was adjourned. The next meeting has been called for Thursday, January 15, 1976, at 5:30 p.m. at the offices of Ashton Oil and Transportation, so that Jim Berry may present next years promotional efforts.



Dear Fellows:

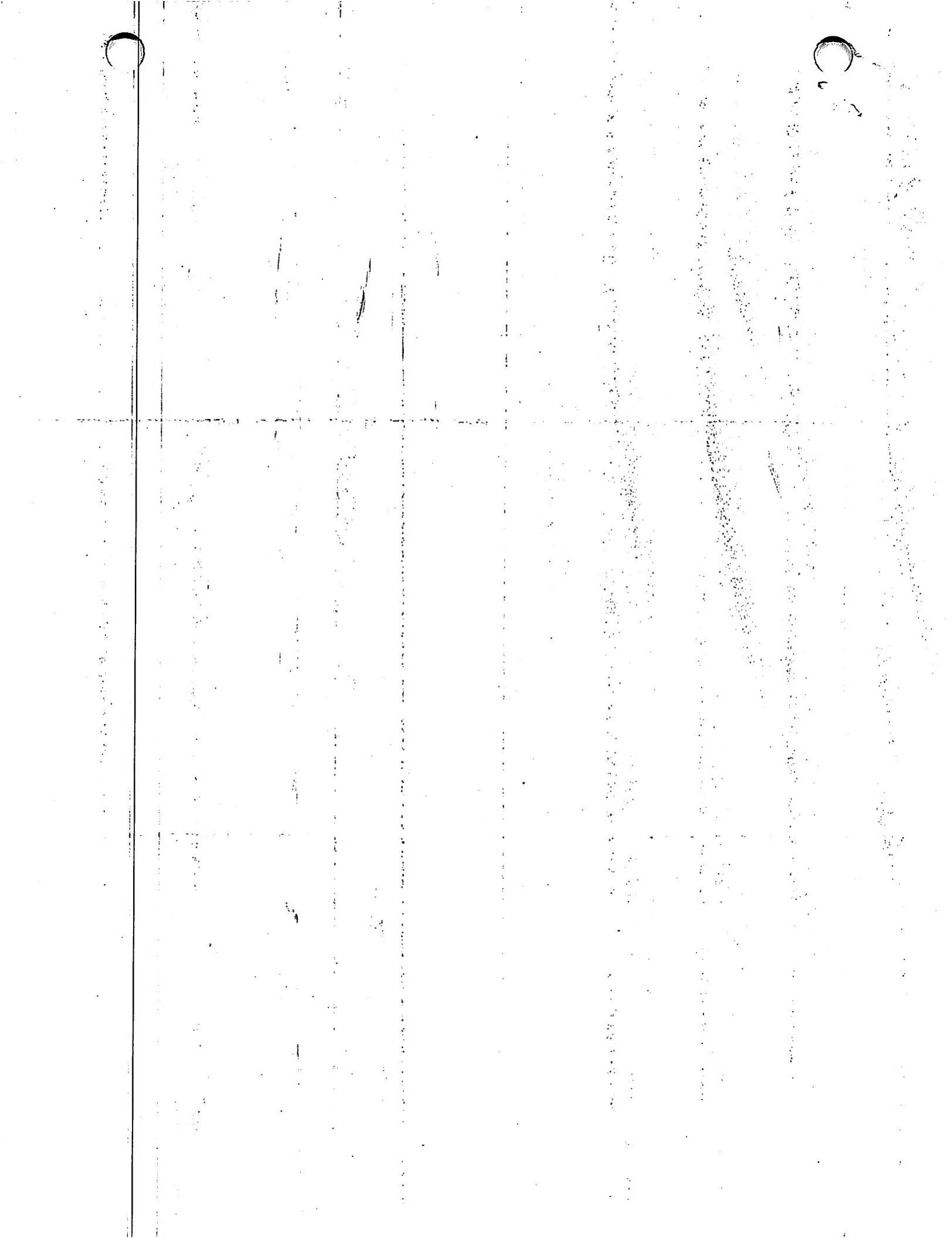
As per our agreement the following is a general statement of our impressions of our relationship of the museum, The company & The IRS.

Several years ago we ^{were} contacted by the IRS. For information concerning our organization, and were notified that there may be a problem regarding our legal relationship with the Heber Creeper. At this time we notified the company of this contact, but received total rejection, officially, to ~~even~~ negotiate a possible solution.

In September of 1975 we received notice that our tax status was, and is under investigation & that pending the outcome of the investigation our status would probably be changed.

On December 17, 1975 we received notice that this action had been taken & that barring protest would be final on Jan 17, 1976.

As we interpret this action, it is based on ~~Base~~ to our Leasing all of our assets, with no control or return, to the Heber Creeper Inc. "An organization will not be exempt if more than an insubstantial part of its activities is not in furtherance of its exempt purpose." This is not to say that any organization must exceed any other in stature ~~or that~~ only that it must.



Be actively in pursuit of its prime objectives.
This has not been accomplished by our organization
because of a lack of funds & a reluctance to
invest precious time on personal funds in a now
contractually bound venture. Article Seven of our
present lease binds us to correct this situation!

Sincerely

The officers of the
Wasatch Ry Mus. Inc.

